

**CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION  
RAIPUR**



Chhattisgarh State Power Generation Co. Ltd.	.....	P. No. 02/2019 (T)
Chhattisgarh State Power Transmission Co. Ltd	.....	P. No. 03/2019 (T)
Chhattisgarh State Load Despatch Centre	.....	P. No. 04/2019 (T)
Chhattisgarh State Power Distribution Co. Ltd.	.....	P. No. 05/2019 (T)

**Present: D S Misra, Chairman**

**Arun Kumar Sharma, Member**

**Vinod Deshmukh, Member (Judicial)**

**In the matter of –**

1. Chhattisgarh State Power Generation Company Ltd. (CSPGCL) Petition final true-up for FY 2016-17 and provisional true up for FY 2017-18.
2. Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) Petition for final true-up for FY 2016-17 and provisional true up for FY 2017-18;
3. Chhattisgarh State Load Despatch Centre (CSLDC) Petition for final true-up for FY 2016-17 and provisional true up for FY 2017-18;
4. Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) Petition for final true-up for FY 2016-17, provisional true up for FY 2017-18 and determination of Tariff for FY 2019-20;

## **ORDER**

**(Passed on February 28, 2019)**

1. As per provisions of the Electricity Act, 2003 (hereinafter referred as 'the Act') and the Tariff Policy, the Commission has notified the Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2015 (hereinafter referred as 'CSERC MYT Regulations, 2015') for determination of tariff for the Generating Company, Licensees, and Chhattisgarh State Load Despatch Centre (CSLDC).
2. This Order is passed in respect of the Petitions filed by the (i) Chhattisgarh State Power Generation Company Ltd. (CSPGCL) for approval of final true-up for FY 2016-17 and provisional true up for FY 2017-18, (ii) Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) for approval of final true-up for FY 2016-17 and provisional true up for FY 2017-18, (iii) Chhattisgarh State Load Dispatch Centre (CSLDC) for approval of final true-up for FY 2016-17 and provisional true up for FY 2017-18, and (iv) Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) for approval of final true-up for FY 2016-17, provisional true up for FY 2017-18, and determination of tariff for FY 2019-20 .
3. This Order is passed under the provisions of Section 32(3), Section 45, and Section 62 read with Section 86(1) of the Act. The Commission, before passing the combined Order on the separate Petitions filed by CSPDCL, CSPTCL, CSLDC and CSPGCL, has considered the documents filed along with the Petitions, supplementary information obtained after Technical Validation, suggestions emerging from the applicant Companies, the consumers, their representatives and other stakeholders during the Public Hearing.
4. The Petitions were made available on the Commission's website as well as the Petitioners' website. The Petitions were also available at the offices of the Petitioners. A public notice along with the gist of the Petitions was also published in the newspapers. Suggestions/objections were invited as per the procedure laid down in the Regulations. Further, the Commission conducted hearings on the Petitions at Office of the Commission at Raipur on February 25, 2019 and February 26, 2019. The

Commission also held a meeting with Members of the State Advisory Committee on February 23, 2019 for seeking their valuable suggestions and comments. The Commission has finalised its views, considering the suggestions/objections and after performing necessary due diligence on each of the issues.

5. The Commission has undertaken final true-up for FY 2016-17 for CSPDCL, CSPTCL, CSLDC and CSPGCL, based on the audited accounts submitted by utilities and in accordance with the provisions of the CSERC MYT Regulations, 2015. Further, the Commission has undertaken provisional true up for FY 2017-18 for CSPDCL, CSPTCL, CSLDC, and CSPGCL, based on the provisional accounts submitted by the Utilities and in accordance with the provisions of the CSERC MYT Regulations, 2015. The final True-up for FY 2017-18 shall be undertaken after filing of true-up petitions by utilities based on audited annual accounts for FY 2017-18, subject to prudence check.
6. In the Multi-Year Tariff (MYT) Order, passed on March 31, 2016, the Commission had approved the ARR and Tariff for the Control Period from FY 2016-17 to FY 2020-21 for the utilities, in accordance with the provisions of the CSERC MYT Regulations, 2015. Further, the Commission passed the Tariff Order for FY 2017-18 for CSPDCL on March 31, 2017.
7. The Revenue Gap/(Surplus) of CSPGCL, CSPTCL and CSLDC arising out of final true-up for FY 2016-17 and provisional True-up for FY 2017-18, along with corresponding carrying/holding cost, have been considered while computing the cumulative Revenue Gap/(Surplus) to be allowed for CSPDCL for FY 2019-20.
8. Applying the carrying cost on Revenue Gap of CSPGCL for FY 2016-17 and FY 2017-18, the total Revenue Gap up to FY 2019-20 has been approved as Rs. 348.76 Crore.
9. Also, applying the holding cost on the Revenue Surplus of CSPTCL for FY 2016-17 and FY 2017-18, the total Revenue Surplus upto FY 2019-20 has been approved as Rs. 182.61 Crore. Similarly, applying the carrying cost on Revenue Gap of CSLDC for FY 2016-17 and FY 2017-18, the total Revenue Gap up to FY 2019-20 has been approved as Rs. 5.33 Crore.

10. Further, applying the carrying cost on Revenue Gap of CSPDCL for FY 2016-17 and FY 2017-18, the total Revenue Gap up to FY 2019-20 has been approved as Rs. 2,075.93 Crore. The combined Revenue Gap/Surplus of CSPDCL, CSPTCL, CSPGCL, and CSLDC for FY 2016-17 and FY 2017-18 along with carrying/holding cost amounting to Rs. 2,247 Crore has been considered in the ARR of CSPDCL for FY 2019-20.
11. The Commission, in MYT Order dated March 31, 2016, has approved Contribution to Pension and Gratuity of Rs. 622.44 Crore for FY 2019-20, which includes amount of Rs. 387.47 Crore for CSPDCL, Rs. 63.75 Crore for CSPTCL, Rs. 1.56 Crore for CSLDC and Rs. 169.66 Crore for CSPGCL. At the time of MYT Order, the amount of Rs. 622.44 Crore was computed, assuming a 9.05% annual escalation over payout of Rs. 480 Crore for FY 2016-17, determined on the basis of actuarial analysis. However, the Commission, in the present Order, has considered the estimated outgo for FY 2019-20 as submitted by CSPDCL and notes that the estimated payout towards Pension and Gratuity for FY 2019-20 would be Rs. 863.88 Crore for all the utilities. Considering the aforesaid, the Commission is of view that part of the requirement i.e., Rs. 421.97 Crore, shall be met from interest accrual from Pension fund available with Pension Trust and the balance amount, from recovery through Tariff. Accordingly, the Commission approves Contribution to Pension and Gratuity for FY 2019-20 as Rs. 441.91 Crore, which includes amount of Rs. 275.09 Crore for CSPDCL, Rs. 45.26 Crore for CSPTCL, Rs. 1.11 Crore for CSLDC and Rs. 120.45 Crore for CSPGCL.
12. The Commission, in MYT Order dated March 31, 2016, had approved O&M Expenses for all Utilities by considering CPI increase of 9.05% and WPI increase of 6.77%, based on average of five years increase from FY 2010-11 to FY 2014-15. The Commission notes that actual indices in respect of CPI and WPI are much less in subsequent years. While approving true-up for FY 2016-17 and provisional true-up for FY 2017-18, the Commission has considered the actual indices of CPI and WPI for those years. Therefore, the Commission is of the view that, in the interest of consumers, it would be prudent to adopt the latest indices for computing normative O&M Expenses. The Commission, after exercising its inherent powers under the Electricity Act, 2003 and CSERC MYT Regulations, 2015, decides to revise the normative O&M Expenses based on the actual indices available now. It is also noted that, as per First amendment in CSERC MYT Regulations, 2015 dated June 16, 2017,

no sharing of gains and losses is considered for Employee Expenses and is allowed on actual basis, after prudence check. Hence, the Commission has revised R&M expenses and A&G Expenses for FY 2019-20 by applying WPI Index of 4.41% on approved expenses for FY 2017-18 after provisional truing up in the present Order.

### **CSPGCL: Tariff for FY 2019-20**

13. The Commission, in its Tariff Order for FY 2017-18 dated March 31, 2017, had revised the Energy Charge Rate(s)(ECR) for CSPGCL's Generating Stations for FY 2017-18 keeping in view unusual hike in fuel prices. Therefore, the same ECRs are proposed to be continued for FY 2019-20 as well. The Annual Fixed Cost (AFC) and Energy Charge Rate for CSPGCL stations, approved by the Commission for FY 2019-20, are as under:

#### **Thermal Power Stations**

Sl.	Particulars	Units	FY 2019-20				
			KTPS	HTPS	DSPM	KWTPP	Marwa
1	Annual Fixed Cost	Rs. Crore	264.54	524.06	415.86	629.05	1,599.32
2	Energy Charge Rate (ex-bus power plant basis)	Rs./kWh	1.927	1.487	1.545	1.264	1.393
3	Contribution to P&G	Rs. Crore	42.71	44.22	7.26	7.16	16.15

#### **Hydro Power Station (HasdeoBango)**

Sl. No.	Particulars	Units	FY 2019-20
1	Approved Annual Fixed Cost	Rs. Crore	26.52
2	Approved Net Generation	MU	271.26
3	Approved Tariff	Rs./kWh	0.978
4	Contribution to P&G	Rs. Crore	2.95

### **CSPTCL: Tariff for FY 2019-20**

14. For CSPTCL, the Transmission Charge for FY 2019-20 shall be as under:

Sl.	Particulars	Units	FY 2019-20
A	ARR for CSPTCL (including contribution to pension and gratuity)	Rs. Crore	999.45

Sl.	Particulars	Units	FY 2019-20
B	Less: past year cumulative revenue surplus	Rs. Crore	182.61
C	Net Approved ARR (A-B)	Rs. Crore	816.84
D	Monthly Transmission Charges for Medium-term and Long-term Open Access Consumers (C/12)	Rs. Crore/month	68.07
5	Short-term Open Access Charges	Rs./kWh	0.296

Further, Transmission Losses of 3% for the energy scheduled for transmission at the point or points of injection shall be recoverable from Open Access customers.

#### **CSLDC: Tariff for FY 2019-20**

15. For CSLDC, the Commission has revised ARR to Rs. 15.01 Crore for FY 2019-20. Accordingly, System Operation Charges are approved as Rs. 12.01 Crore and Intra-State Market Operation Charges as Rs. 3.00 Crore for FY 2019-20.

#### **CSPDCL: Tariff for FY 2019-20**

16. CSPDCL has filed revised ARR for FY 2019-20 of Rs. 12,507.66 Crore. The Commission, after prudence check and due scrutiny, has approved the ARR at Rs. 11,047.53 Crore for FY 2019-20. The State Government subsidy has not been taken into account while approving the ARR of CSPDCL for FY 2019-20.
17. CSPDCL, in its Petition for FY 2019-20, has sought approval for cumulative Revenue Gap of Rs. 2,947.35 Crore pertaining to previous years. As against this, the Commission, after prudence check and due scrutiny has arrived at a cumulative Revenue Gap of Rs. 2,075.93 Crore for FY 2019-20.
18. After adjusting the cumulative Revenue Gap of Rs. 171.48 Crore combined for CSPGCL, CSPTCL, and CSLDC, arising out of true-up for FY 2016-17 and provisional true-up for FY 2017-18, the Commission has arrived at cumulative Revenue Gap of Rs. 2,247.41 Crore for CSPDCL for FY 2019-20.
19. The Commission approves net revenue surplus of Rs. 539.92 Crore, after adjusting cumulative revenue gap of Rs. 2,247.41 Crore with standalone revenue surplus for FY 2019-20 as Rs. 2,787.33 Crore.

20. The Net ARR for recovery through Tariff for FY 2019-20 has been approved as Rs. 13,294.94 Crore for CSPDCL. Average Cost of Supply has been approved as Rs. 6.07/kWh.
21. Based on the above, the Commission has approved the revised Tariff Schedule. The Commission has made the following changes in this Order as compared to the Tariff and Tariff categories approved in the previous Tariff Order:
- (a) The tariff for most of the consumer categories has been reduced, considering the Revenue Surplus arising after adjustment of all past revenue gaps/(surplus) of the utilities.
  - (b) The tariffs for all consumer categories have been approved in such a manner that the cross-subsidies are reduced gradually, and the tariffs for most of the consumer categories is within the band of +20% of Average Cost of Supply, as stipulated in the Tariff Policy notified by the Government of India.

**LV 1: Domestic**

- (c) Presently, there is a separate slab for BPL consumers, i.e., 0–40 kWh as Government of Chhattisgarh has been traditionally reimbursing the billed amount to CSPDCL. However, keeping in view the fact that BPL consumers are defined as BPL card holders only, the existing slab of *up to 40 kWh* is merged with *0–100 units* slab.
- (d) Further, the existing structure has a consumption slab of *201 to 600 Units*. The Commission is of view that it would be prudent to bifurcate this slab further into *201 - 400 units*, and *401 - 600 units*.
- (e) Fixed Charges and Energy Charges has been reduced for all consumption slabs especially for the low income groups, so as to reduce overall tariff for this Category.

**LV 2: Non-Domestic**

- (f) The existing sub-categories have been restructured on the basis of Single Phase and Three phase connection. Accordingly, two Sub-categories have been created under this Category as *LV 2.1 Single Phase Non-Domestic* and *LV 2.2 Three Phase Non-Domestic*.

- (g) For *LV 2.1 Single Phase Non-Domestic*, the existing consumption slabs, along with tariff, has been rationalised. Fixed Charges have been reduced from existing Rs. 70/kW to Rs. 50/kW. Energy Charges have also been reduced.
- (h) For *LV 2.2 Three Phase Non-Domestic*, the demand-based tariff has been made applicable instead of prevailing contracted load based fixed charges. Energy Charges are reduced from the existing level.
- (i) In order to promote Women's Empowerment, commercial and industrial activities being run exclusively by registered Women self-help groups shall be entitled for 10% rebate on energy charges.
- (j) In order to promote and incentivize telecom connectivity in the remote left-wing extremism affected districts, new mobile towers, to be set up in these areas after April 1, 2019, shall be eligible for 50% rebate in energy charges.

### **LV 3: Agriculture and LV 4: Agriculture Allied Activities**

- (k) For LV 3 Agriculture, the energy charges are reduced to Rs. 4.40/kWh from the present level of Rs. 4.70/kWh. Also, power factor surcharge of 35 paise per kWh has been done away with.
- (l) For LV 4 Agriculture Allied Activities, the tariff for load upto 25 HP has been equated with the applicable tariff for LV 3 category. For other load slabs, the energy charges are reduced by 40 paise per kWh.

### **LV 5: Industry**

- (m) Demand based tariff has been made applicable for all sub-categories.
- (n) For LV 5.1 sub-category, the load limit has been extended upto 25 HP so as to accommodate expansion of small-scale units.
- (o) To facilitate expansion in existing capacity of LT Industries, following changes have been made in tariff structure:
- i. The existing sub-category *LV 5.2.3 Above 100 HP upto 150 HP* has been merged with *LV 5.2.2 Above 25 HP upto 100 HP* sub-category.
  - ii. The tariff for new sub-category *LV 5.2.2 Above 25 HP upto 150 HP* has been rationalised accordingly.



## **HT Categories**

- (p) For HV 3: Other Industrial and General Purpose Non-Industrial category, the Demand Charges are reduced to Rs. 350/kVA/month from the existing level of Rs. 375/kVA/month. The energy charges are accordingly increase to adjust the revenue at category level.
- (q) For HV-4 Steel Industries, the existing scheme of Load Factor Incentive starting from 65% to 79% has been restructured to 63% to 77% to enable relatively small units to achieve load factor incentive.
- (r) For HV-4 Steel Industries, the limit of Load Factor for 33 kV supply and 11 kV supply sub-categories has been increased from the existing level of 25% to 35%, for exclusive Rolling Mills consumers.
- (s) In order to incentivize sustainable eco-friendly transport system, flat rate Single part tariff of Rs. 5/kWh for charging stations for Electric vehicles has been introduced.
- (t) Presently, Cross-subsidy Surcharge is payable at 50% of Cross-subsidy Surcharge determined by the Commission for Renewable Energy transactions. In order to promote Solar Energy transactions, no Cross-subsidy Surcharge shall be payable in case of consumer receiving power from Solar Power Plants through Open Access.
- (u) The following key directives are issued to CSPDCL:
  - i. Consumer bills, including bills issued through Spot Billing Machine, should also indicate the applicable tariff for that respective consumer category.
  - ii. If the bills are not issued consecutively for six months or more for any LT Consumer, billing on accumulated meter reading shall not be raised without approval of Divisional Engineer of CSPDCL.

- iii. For a farmer requiring temporary agriculture pump connection more than once within a period of one year from the date of disconnection of the previous connection, no fresh paper formalities would be required.
22. For ready reference, the Tariff Schedule applicable in reference to this Order is appended herewith as **Schedule**.
23. The Order will be applicable from 1<sup>st</sup>April, 2019 and will remain in force till March 31, 2020 or till the issue of next Tariff Order, whichever is later.
24. The Commission directs the Companies to take appropriate steps to implement the Tariff Order.

**Sd/-**  
**(VINOD DESHMUKH)**  
**MEMBER**

**Sd/-**  
**(ARUN KUMAR SHARMA)**  
**MEMBER**

**Sd/-**  
**(D S MISRA)**  
**CHAIRMAN**